

UNITED STATES DEPARTMENT OF HOMELAND SECURITY
TRANSPORTATION SECURITY ADMINISTRATION

Statement of

JOHN SAMMON
ASSISTANT ADMINISTRATOR
TRANSPORTATION SECTOR NETWORK MANAGEMENT

Before the

SUBCOMMITTEE ON RAILROADS, PIPELINES, AND
HAZARDOUS MATERIALS
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

UNITED STATES HOUSE OF REPRESENTATIVES

JUNE 25, 2008

Good afternoon Chairwoman Brown, Ranking Member Shuster, and distinguished members of the Subcommittee. Thank you for the opportunity to appear today to discuss the ongoing collaboration between the Transportation Security Administration (TSA) of the Department of Homeland Security (DHS) and the Pipeline and Hazardous Materials Safety Administration (PHMSA) of the Department of Transportation (DOT). Our respective agencies have different, but complementary roles and responsibilities to protect the security and safety of our Nation's pipelines.

Ongoing Threat

The effort to protect the security of transportation systems remains as important now as it ever has been since September 11, 2001. The Annual Threat Assessment of the Director of National Intelligence released on February 5, 2008, confirmed that terrorists continue to pose significant threats to the United States. Terrorists are likely to continue to focus on prominent infrastructure targets with the goal of producing mass casualties and significant economic aftershocks. Oil and gas pipelines continue to be the targets of terrorists outside and inside the United States. In June 2007, the U.S. Department of Justice arrested members of a group plotting to destroy fuel storage tanks and pipelines servicing the John F. Kennedy (JFK) International Airport in New York. This threat is real and evolving. We know they are working to defeat us, and we must remain vigilant.

The Role of the TSA In Pipeline Security

To understand the context in which the TSA exercises its authority in the security of pipeline systems, it is important to review the transition of security responsibilities from PHMSA, and

assist the DHS in developing security measures affecting transportation and the Parties shared regulatory responsibilities in certain areas of transportation security.

The MOU anticipated subsequent annexes to address particular matters governed by the MOU. On August 9, 2006, the TSA and the PHMSA entered into an annex (Annex) concerning pipeline security. The Annex further delineates the respective authorities and responsibilities of the TSA and the PHMSA and specifies certain communication and collaboration efforts between the two agencies by recognizing eleven "Program Elements," establishing a working group, and conducting coordination meetings.

Ongoing Collaboration between TSA and PHMSA

The TSA program office with the lead responsibility for pipeline security matters is the Pipeline Security Division (PSD) within the Transportation Sector Network Management organization. The TSA believes the communication and cooperation with the PHMSA is very good. The PSD staff and the PHMSA staff engage on a virtually daily basis. The interaction is open, frequent, and productive. Both agencies are active members in the Oil & Natural Gas (ONG) Government Coordination Council and the Pipeline Government Coordinating Council. Additionally, the TSA and the PHMSA participate in the ONG Critical Infrastructure Partnership Advisory Council in which governmental agencies, pipeline industry stakeholders, and other security partners collaborate on pipeline and CI security matters.

The Annex required the TSA and the PHMSA to develop a multi-year action plan to implement the specific Program Elements of the Annex. The Implementation Action Plan was completed on February 5, 2007. Given the ongoing and evolving threats to transportation security, the Implementation Action Plan is inherently a "living" document that will be continually updated and modified to reflect the changing threat environment. The joint-agency working group established by the MOU will continue to meet on at least a quarterly basis to monitor the implementation of the Plan and address new matters that arise.

Through the close coordination with the PHMSA and our vigorous outreach efforts to the pipeline industry stakeholders, the TSA believes we have made great progress to clarify within the industry the role of the TSA as having the primary responsibility for security and the PHMSA for safety matters. The industry stakeholders have indicated to the TSA that, with respect to pipelines, they understand the respective roles of the TSA for security and the PHMSA for safety.

As an example, TSA has hosted, in conjunction with Natural Resources Canada, a conference in each of the past three years that enhances government and pipeline industry domain awareness and facilitates a dialogue on pipeline security issues. The conference is attended by officials from the U.S. and Canadian governments; pipeline associations; pipeline operators; and representatives from the security, intelligence, and law enforcement communities. A fourth conference is scheduled to be held in Salt Lake City, Utah, on October 29-30, 2008.

Current Initiatives to Improve Security

Although the TSA was created less than seven years ago and the DHS was created five years ago, the efforts to improve the security of pipelines have grown significantly and effectively. I would like to highlight a few examples of our key program initiatives:

Pipeline Corporate Security Reviews. The centerpiece of the TSA's pipeline security program is the Pipeline Corporate Security Review (PCSR). Begun in 2003, PCSRs have enabled TSA to build relationships with pipeline operators, assess their corporate security plans and programs, and provide them with recommendations for improvement. TSA has conducted PCSRs on 91 of the top 100 pipeline systems. By the end of this calendar year, TSA will have completed PCSRs on 100% of the nation's top 100 pipeline systems.

Pipeline Employee Security Awareness Training: The TSA developed a 30-minute training CD using DHS-developed subject matter, but tailored specifically to an audience of pipeline operators. The training covers topics such as security measures, awareness of vulnerabilities, potential threats, and targeting. To date, TSA has delivered training CDs to over 300 companies, providing training to an estimated 61,000 pipeline employees.

Pipeline Security Smart Practices: The TSA's Pipeline Security Smart Practices reflect the lessons learned from PCSRs over several years. A qualitative and quantitative examination of this data, coupled with literature research of pipeline security measures, and consultation with the pipeline industry, identified smart practices operators can implement to promote an effective security program. This document is intended to assist operators in their security planning and the implementation of security measures to protect their facilities.

Cross-Border Pipeline Assessments: Canada is one of the world's largest producers and exporters of energy and is the top source for U.S. oil and natural gas imports. In 2006, Canada exported to the United States 2.3 million barrels per day of oil and petroleum products (11 percent of U.S. supply) and 3.6 trillion cubic feet of natural gas (16 percent of U.S. supply); and this energy is overwhelmingly moved by pipeline. The TSA has led and been performing an in-depth analysis on cross-border pipeline systems, as part of a team that included Natural Resources Canada, and private industry. Assessment teams of Canadian and U.S. subject matter experts in pipeline operations, control systems, infrastructure interdependencies, and assault planning visit critical cross-border pipeline infrastructure, identify security gaps, and recommend protective measures to address them. Pipeline operators have used the assessment results to target improvements to the security of their system. To date, six of the largest pipeline systems have been reviewed by joint U.S.-Canadian teams.

Going Forward with Pipeline Security

The TSA will continue our efforts to enhance the security of pipeline systems as directed by the NIPP, the Implementing Recommendations of the 9/11 Commission Act of 2007 (9/11 Act), (P.L. 110-53) and other statutory and Department requirements. The TSA has begun the process of updating security guidelines previously established by the DOT and will diligently

continue this effort as required by Section 1557 of the 9/11 Act. The TSA has established a process with milestones and timelines to ensure we meet the deadlines of other requirements from the 9/11 Act, to include the preparation of a pipeline security and incident recovery plan and any future formal rulemakings in collaboration with the DOT.

Conclusion

The TSA has been given clear authority and responsibility for the oversight and enforcement of the security for pipelines. However, we recognize that the success of this effort relies greatly on the close coordination and ongoing cooperation with the PHMSA, which brings industry knowledge to enhance the TSA's ability to improve security in a manner that is safe and allows for the efficient flow of commerce. Thank you for the opportunity to appear before you today and I would be happy to answer any questions that you may have.

#